



General Assembly

January Session, 2005

Committee Bill No. 914

LCO No. 4215

* _____SB00914PD_____032905_____*

Referred to Committee on Energy and Technology

Introduced by:
(ET)

***AN ACT CONCERNING PAYMENT IN LIEU OF TAX REVENUE FROM
RESTRUCTURING OF ELECTRIC INDUSTRY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-94d of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Municipality" means each town, city, borough, consolidated
5 town and city and consolidated town and borough and each district, as
6 defined in section 7-324; and

7 (2) "Next succeeding" means the second such date.

8 (b) For a period of ten years beginning with the assessment year
9 during which the value of an electric generation facility decreases as a
10 direct result of restructuring of the electric industry, but in no event
11 later than October 1, 2005, or, in the case of a generating facility with
12 an operating capacity of four hundred thirty-four megawatts located in
13 a municipality with a population of greater than eighteen thousand
14 and less than nineteen thousand, no later than October 1, 2006, the

15 municipality in which the facility is located shall be entitled, in
16 addition to the amount of tax for which the owner of an electric
17 generation facility is liable under this chapter with respect to such
18 facility, to an amount as computed in subsection (c) of this section.

19 (c) (1) The additional amount shall be a percentage of (A) the
20 difference between the value of an electric generation facility as it
21 would have been assessed were it not for said restructuring taking into
22 account depreciation and the assessed value of such facility, (B)
23 multiplied by the mill rate of the municipality in which the facility is
24 located for the applicable assessment year, (C) minus the amount of
25 any increase in property tax revenues to such municipality as a result
26 of any increase in value of the facility or an additional electric
27 generation facility in the municipality.

28 (2) The assessor or board of assessors shall calculate the additional
29 amount as follows: (A) For the assessment year during which the value
30 of such facility decreased as a direct result of said restructuring, one
31 hundred per cent of the amount computed under subdivision (1) of
32 this subsection; and (B) for each assessment year thereafter, ten per
33 cent less for each succeeding year until the percentage is zero.

34 (d) On or before June fifteenth, annually, following the assessment
35 date for which the value of an electric generation facility decreases as a
36 direct result of restructuring of the electric industry, the assessor or
37 board of assessors of a municipality in which such a facility is located
38 shall certify to the Secretary of the Office of Policy and Management,
39 on a form furnished by the secretary, the amount as computed in
40 subsection (c) of this section together with supporting information as
41 the secretary may require. The secretary may reevaluate any such
42 facility when, in the secretary's judgment, the valuation is inaccurate.
43 The secretary shall review each claim and modify the value of any
44 facility included therein when, in the secretary's judgment, the value is
45 inaccurate or the facility did not decrease in value as a direct result of
46 restructuring of the electric industry. Not later than July first next

47 succeeding the assessment date for which the amount was approved
48 by the assessor or assessors, the secretary shall notify the municipality
49 in which the facility is located of the modification, in accordance with
50 the procedure set forth in subsection (e) of this section. The secretary
51 shall, on or before July fifteenth, annually, certify to the Department of
52 Public Utility Control the amount due the municipality under the
53 provisions of this section, including any modification of such amount
54 made prior to July first. [, and the] On receiving certification of the
55 amount due, the department shall determine whether the valuation set
56 by the secretary is appropriate and whether the decrease in value is the
57 direct result of restructuring of the electric industry. If the department
58 finds that the valuation is appropriate and the decrease in value is the
59 direct result of such restructuring, the department shall order the
60 payment of such amount by the appropriate electric distribution
61 company to the municipality in which the facility is located according
62 to the following formula: Not later than five business days following
63 the date on which the taxes are paid by the owner of an electric
64 generation facility in July, but in no case prior to July fifteenth, the
65 balance required to equal an amount equal to half of the amount of tax
66 for which the owner of an electric generation facility is liable under
67 this chapter with respect to such facility plus half of the amount
68 calculated in subsection (c) of this section; on or before the thirty-first
69 day of January immediately following, the balance required to equal
70 an amount equal to half of the amount of tax for which the owner of an
71 electric generation facility is liable under this chapter with respect to
72 such facility plus half of the amount calculated in subsection (c) of this
73 section. Following the payment of taxes by the owner of an electric
74 generation facility in July, the town shall certify to the Department of
75 Public Utility Control the amount paid by such owner of an electric
76 generation facility. The amount paid shall be recovered by the electric
77 distribution company through the systems benefits charge established
78 pursuant to section 16-245l. If any modification is made as the result of
79 the provisions of this section on or after the July fifteenth following the
80 date on which the assessor has provided the amount in question, any

81 adjustments to the amount due to a municipality for the period for
 82 which such modification was made shall be made in the next payment
 83 the electric distribution company shall make to such municipality
 84 pursuant to this section.

85 (e) If the Secretary of the Office of Policy and Management modifies
 86 the amount calculated by the assessor or board of assessors pursuant
 87 to subsection (c) of this section, the secretary shall send written notice
 88 of such modification to the appropriate municipality. Not later than
 89 thirty days after the date the municipality receives such notice, the
 90 municipality may make application for a hearing before said secretary,
 91 or his designee. Such application shall be in writing and shall set forth
 92 the reasons why the amount in question should not be modified. The
 93 secretary shall grant or deny such hearing request by written notice to
 94 the municipality. If a request for hearing is denied by the secretary
 95 such notice shall contain a statement of the reason for said denial. Not
 96 later than sixty days after the date on which a hearing is held, said
 97 secretary shall send notice of his decision concerning such appeal to
 98 the municipality. If the municipality is aggrieved by the secretary's
 99 decision concerning the disposition of the municipality's appeal or the
 100 secretary's decision not to hold a hearing, such municipality may, not
 101 later than thirty days after receiving a notice related thereto from the
 102 secretary, make application in the nature of an appeal to the superior
 103 court of the judicial district in which the electric generation facility is
 104 located. Such application shall be accompanied by a citation to the
 105 secretary to appear before said court, and shall be served and returned
 106 in the same manner as is required in the case of a summons in a civil
 107 action. Said court may grant such relief as may be equitable.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	12-94d
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<i>ET</i>	<i>Joint Favorable C/R</i>	PD
<i>PD</i>	<i>Joint Favorable</i>	